

SPECIAL TARIFF POSITION OF PHILIPPINES

Exchange of notes at Washington May 4 and July 11, 1946, modifying agreement of October 26 and November 7, 1927

Entered into force July 11, 1946

*Terminated August 29, 1963*¹

61 Stat. 2449; Treaties and Other
International Acts Series 1572

The Acting Secretary of State to the Spanish Ambassador

WASHINGTON

May 4, 1946

EXCELLENCY:

With reference to the forthcoming independence of the Philippines on July 4, 1946, my Government considers that provision for a transitional period for dealing with the special tariff position which Philippine products have occupied for many years in the United States is an essential accompaniment to Philippine independence. Accordingly, under the Philippine Trade Act approved April 30, 1946,² goods the growth, produce or manufacture of the Philippines will enter the United States free of duty until 1954, after which they will be subject to gradually and regularly increasing rates of duty or decreasing duty-free quotas until 1974 when general rates will become applicable and all preferences will be completely eliminated.

Since the enactment of the Philippine Independence Act approved March 24, 1934,³ my Government has foreseen the probable necessity of providing for such a transitional period and has since then consistently excepted from most-favored-nation obligations which it has undertaken toward foreign governments advantages which it might continue to accord to Philippine products after the proclamation of Philippine independence. Some thirty

¹ Date of entry into force of protocol of July 1, 1963 (15 UST 2571; TIAS 5749), for accession of Spain to General Agreement on Tariffs and Trade (TIAS 1700, *ante*, vol. 4, p. 639).

² 60 Stat. 141.

³ 48 Stat. 456.

instruments in force with other governments, for example, permit the continuation of the exceptional tariff treatment now accorded by my Government to Philippine products, irrespective of the forthcoming change in the Commonwealth's political status.

With a view, therefore, to placing the relations between the United States and Spain upon the same basis, with respect to the matters involved, as the relations existing under the treaties and agreements referred to in the preceding paragraph, I have the honor to propose that the provisions of the Commercial Agreement between the United States and Spain effected by an exchange of notes signed October 26 and November 7, 1927,⁴ shall not be understood to require the extension to Spain of advantages accorded by the United States to the Philippines.

In view of the imminence of the inauguration of an independent Philippine Government, I should be glad to have the reply of Your Excellency's Government to this proposal at an early date.

Accept, Excellency, the renewed assurances of my highest consideration.

DEAN ACHESON
Acting Secretary of State

His Excellency
Señor DON JUAN FRANCISCO DE CÁRDENAS
Ambassador of Spain

The Spanish Ambassador to the Acting Secretary of State.

[TRANSLATION]

SPANISH EMBASSY
WASHINGTON

No. 170

WASHINGTON, *July 11, 1946*

MR. SECRETARY:

In reference to Your Excellency's courteous note dated May 4, last, concerning the preferences which will be given on the part of the United States to the Philippines, in agreement with that which is set forth in the "Philippine Trade Act" of April 30, 1946, I have the honor to inform you that the Ministry of Foreign Affairs at Madrid has just sent me instructions to inform the Department of State that the Spanish Government states its conformity with the effects on customs deriving from the Independence of the Philippines.

⁴ TS 758-A, *ante*, p. 680.

I avail myself of this opportunity, Mr. Secretary, to renew to you the assurances of my highest consideration.

JUAN F. DE CARDENAS
Ambassador of Spain

His Excellency

DEAN ACHESON

Acting Secretary of State

Washington, D.C.